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# Message Text

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ACTION EB-07

INFO OCT-01 IO-11 ISO-00 AF-06 ARA-06 EA-07 EUR-12 NEA-10

L-03 FRB-03 OMB-01 ITC-01 SP-02 USIA-06 AGR-05 AID-05

CIAE-00 COME-00 INR-07 LAB-04 NSAE-00 OIC-02 SIL-01

STR-04 TRSE-00 CIEP-01 CEA-01 /106 W
---------- 106764
P 121010Z MAR 76
FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 8684
INFO USMISSION EC BRUSSELS PIORITY

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E.O. 11652: N/A
TAGS: UNCTAD
SUBJECT: UNCTAD: TRADE AND DEVELOPMENT BOARD: CURRENT WORKING TEXT ON COMMODITIES

FOLLOWING IS CURRENT (AS OF MARCH 12) TEXT BEING USED BY GROUP B WORKING PARTY ON COMMODITIES. TEXT WILL BE SUBJECT TO FURTHER CHANGES AND REFINEMENTS AS GROUP CONTINUES ITS DISCUSSIONS. WHERE SOURCE OF RESERVATIONS IS NOT SPECIFICALLY STATED, THIS MEANS GENERAL OPPOSITION OF GROUP TO PROPOSALS BY ONLY ONE OR TWO DELEGATIONS.

BEGIN TEXT

PREAMBLE

IN THE LIGHT OF THE RESOLUTIONS SUBMITTED BY THE COMMITTEE ON COMMODITIES AT ITS MEETINGS OF FEBRUARY AND OF DECEMBER, 1975; AND INSPIRED BY UN RESOLUTION 3362; FURTHER INTERNATIONAL COOPERATION IN THE FIELD OF COMMODITIES SHOULD BE UNDERTAKEN BEGIN BRACKETS WITHIN AN OVERALL INTEGRATED APPROACH END BRACKETS WHICH, IN THE INTERESTS OF BOTH PRODUCERS
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AND CONSUMERS, SHOULD BE BASED ON THE OBJECTIVES SET OUT BELOW

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AND SHOULD DRAW INTER ALIA ON THE FOLLOWING SERIES OF MEASURES AND TECHNIQUES ACCORDING TO PROCEDURES TO BE ESTABLISHED WITHIN AN AGREED TIMETABLE. THIS COOPERATION SHOULD SEEK TO PROMOTE STEADY ECONOMIC DEVELOPMENT AND INCREASED SOCIAL WELFARE.

OBJECTIVES

WITH A VIEW TO FINDING SUITABLE SOLUTIONS TO THE PROBLEMS OF WORLD PRODUCTION AND CONSUMPTION OF AND TRADE IN COMMODITIES, INCLUDING THE IMPROVEMENT OF MARKET STRUCTURES IN THE FIELD OF RAW MATERIALS AND COMMODITIES OF EXPORT INTEREST IN DEVELOPING COUNTRIES, THE FOLLOWING OBJECTIVES SHOULD BE AGREED:

1. TO STRIVE TOWARDS MORE STABLE CONDITIONS IN COMMODITY TRADE, INCLUDING THE AVOIDANCE OF EXCESSIVE PRICE FLUCTUATIONS, AT PRICE LEVELS WHICH BEGIN BRACKETS IN REAL TERMS END BRACKETS:
   - ARE REMUNERATIVE TO PRODUCERS AND FAIR TO CONSUMERS AND;
   - ARE CONSISTENT WITH LONG-TERM EQUILIBRIUM AT THE HIGHEST POSSIBLE LEVEL OF PRODUCTION AND CONSUMPTION.
2. TO ENCOURAGE THE ECONOMIC DEVELOPMENT OF THE DEVELOPING COUNTRIES, THROUGH THE STABILITY OF THEIR EXPORT EARNINGS BEGIN U.S. AND JAPANESE BRACKETS FROM RAW MATERIALS END U.S. AND JAPANESE BRACKETS, AND THROUGH INCREASING THEIR FOREIGN CURRENCY EARNINGS, IN PARTICULAR BY THE DIVERSIFICATION OF THEIR PRODUCTION BEGIN CANADIAN AND AUSTRALIAN BRACKETS AND BY THE PROCESSING OF RAW MATERIALS END CANADIAN AND AUSTRALIAN BRACKETS.
3. TO PROMOTE THE DIVERSIFICATION OF PRODUCTION IN DEVELOPING COUNTRIES, INCLUDING THE PROCESSING OF RAW MATERIALS IN PRODUCING, DEVELOPING COUNTRIES.
4. TO ENCOURAGE CONDITIONS FAVORABLE TO THE PRODUCTION OF AND TO TRADE IN COMMODITIES, IN WAYS CONDUCIVE TO DEVELOPMENT AND WHICH HAVE PARTICULAR REGARD TO INVESTMENT, TO EXPLORATION, TO PRODUCTION AND TO LOCAL PROCESSING.
5. (THIS PARAGRAPH SUBJECT TO GENERAL RESERVE BY AUSTRALIANS AND CANADIANS) TO IMPROVE MARKET ACCESS FOR PRIMARY PRODUCTS AND TO DEFINE STEPS WITH THE PRODUCERS OF THOSE PRIMARY PRODUCTS THAT WOULD IMPROVE RELIABILITY OF SUPPLY.



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(AUSTRALIAN COUNTER-PROPOSAL FOR PRECEDING PARA: TO SEEK TO DEFINE STEPS WITH PRODUCERS OF PRIMARY PRODUCTS TO IMPROVE MARKET ACCESS AND TO ASSURE SECURITY OF SUPPLY.)

6. TO IMPROVE THE FUNCTIONING OF THE MARKETING AND DISTRIBUTION OF DEVELOPING COUNTRY EXPORTS, AND TO ENCOURAGE RESEARCH AND DEVELOPMENT ON THE PROBLEMS OF NATURAL PRODUCTS COMPETING WITH SYNTHETICS.

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7. TO GIVE SPECIAL ATTENTION TO THE PROBLEMS OF THE POOREST DEVELOPING COUNTRIES.
8. TO TAKE ACCOUNT OF THE SPECIAL SITUATION OF DEVELOPING COUNTRIES WHICH ARE NET IMPORTERS OF COMMODITES AND RAW MATERIALS, INCLUDING THOSE LACKING IN NATURAL RESOURCES.
(NOTE: MOST GROUP B MEMBERS FAVOR AN ADDITIONAL PARA ON IMPROVEMENTS IN MARKET STRUCTURES, RATHER THAN HAVING THE SUBJECT INCLUDED IN THE INTRODUCTORY PARA ABOVE. IF INSERTED, THIS WOULD READ:
9. TO MAKE BEGIN US INSERTION APPROPRIATE END US INSERTION IMPROVEMENTS IN MARKET STRUCTURES IN THE FIELD OF RAW MATERIALS AND COMMODITIES OF EXPORT INTEREST TO THE DEVELOPING COUNTRIES.)

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L-03 FRB-03 OMB-01 ITC-01 SP-02 USIA-06 AGR-05 AID-05

CIAE-00 COME-00 INR-07 LAB-04 NSAE-00 OIC-02 SIL-01

STR-04 TRSE-00 CIEP-01 CEA-01 /106 W
---------- 106906
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FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 8585
INFO USMISSION EC BRUSSELS PRIORITY

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MEASURES AND TECHNIQUES

WHEN CONCERTED INTERNATIONAL ACTION IS AGREED BY RPDOCUING AND CONSUMING COUNTRIES TO BE REQUIRED IN THE COMMODITY FIELD, IN THE FRAMEWORK OF A BEGIN JAPANESE BRACKETS OVERALL CONTINUE JAPANESE BRACKETS BEGIN US BRACKETS INTEGRATED END US AND JAPANESE BRACKETS APPROACH TO COMMODITY PROBLEMS, INCLUDING ACTION IN THE CONTEXT OF INTERNATIONAL NEGOTIATIONS OF SPECIFIC COMMODITY ARRANGEMENTS, CONSIDERATION SHOULD BE GIVEN INTER

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ALIA TO THE FOLLOWING RANGE OF TECHNIQUES TO BE EVALUATED, IN THE LIGHT OF THE CHARACTERISTICS AND PROBLEMS OF EACH COMMODITY AND THE SPECIAL NEEDS OF DEVELOPING COUNTRIES, FOR USE INSGLY OR IN COMBINATION. IN APPROACHING THE QUESTION OF ACTION ON COMMODITIES, IT WILL BE ESSENTIAL FOR FULL ACCOUNT TO BE TAKEN OF COMMODITY AGREEMENTS, ARRANGEMENTS OR MEASURES WHICH ALREADY EXIST OR WHICH ARE ALREADY UNDER CONSIDERATION.

1. IMPROVEMENT OF PROCEDURES, NOTABLY BY MEANS OF CONSUMER-PRODUCER FORUMS FOR PRODUCTS, AS APPROPRIATE:

(I) FOR INFORMATION, AND
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(II) FOR CONSULTATIONS ON MARKET CONDITIONS.

2. COMMODITY AGREEMENTS OR ARRANGEMENTS, TO BE NEGOTIATED BETWEEN PRODUCERS AND CONSUMERS THAT MIGHT INTER ALIA INCLUDE:

-- PRICING ARRANGEMENTS;

-- STOCKING ARRANGEMENTS, NATIONAL OR INTERNATIONAL, INCLUDING BUFFER STOCKS;

-- METHODS OF MEETING ANY NECESSARY FINANCIAL REQUIREMENTS, INCLUDING VARIOUS WAYS AND MEANS OF FINANCING STOCKS, AND THE PARTICIPATION OF INTERNATIONAL FINANCIAL AND MONETARY INSTITUTIONS;

-- UNDERTAKINGS ON MARKET ACCESS AND SUPPLY;

-- FACILITATION OF LONG-TERM CONTRACTS

-- EXPORT QUOTAS; AND

-- POSSIBLE SUPPLEMENTARY MEASURES.

3. SYSTEMS OF EXPORT EARNINGS STABILIZATION.

4. IMPROVEMENT OF MARKET ACCESS BY:

-- MULTILATERAL TRADE MEASURES IN THE MTN, TO INCLUDE SPECIAL PROVISIONS FOR DEVELOPING COUNTRIES IN ACCORDANCE WITH THE TOKYO DECLARATION

11 IMPROVEMENT AND/OR PROLONGATION OF SCHEMES OF GENERAL PREFERENCE; AND

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-- TRADE PROMOTION MEASURES.

5. ENCOURAGEMENT OF COMMODITY PRODUCTION WHEREVER APPROPRIATE, AND OF DIVERSIFICATION, AND OF INDUSTRIAL DEVELOPMENT VIA:
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-- TECHNICAL COOPERATION (INCLUDING THE TRANSFER OF TECHNOLOGY);

-- JOINT VENTURES;

-- IMPROVED ACCESS TO CAPITAL MARKETS; AND

-- THE ENCOUAGEMENT OF INVESTMENT AND THE NECESSARY INVESTMENT CLIMATE.

PROCEDURES AND TIMETABLE

(NOTE: COMMUNITY TEXT FOR THIS SECTION, AS REPORTED IN GENEVA 1799 IS STILL ON THE TABLE, ALTHOUGH IN SOMEWHAT ALTERED FORM. U.S. DEL TABLED FOLLOWING TEXT BELOW ON HIS OWN PERSONAL INITIATIVE. WE ARE NOW WORKING TO RECONCILE THESE TWO TEXTS, PLUS ADDITIONAL UNHELPFUL ADDITIONS TO LAST PARA IN THIS SECTION TABLED BY SWEDEN, PLUS NORWEGIAN PROPOSAL THAT THE WORDS QUOTE IN THE FRAMEWORK OF AN INTEGRATED APPROACH UNQUOTE APPEAR SOMEWHERE IN THIS SECTION:)

(U.S. PROPOSAL)

PROCEDURES AND TIMETABLE

THE FOURTH CONFERENCE SHOULD DETERIMNE PROCEDURES AND A TIMETABLE ALONG THE FOLLOWING LINES:

(I) MEMBER STATES SHOULD AGREE THAT A SERIES OF MEETINGS BETWEEN PRODUCERS AND CONSUMERS OF SPECIFIC COMMODITIES BE HELD, MAKING USE OF EXISTING BODIES WHEREVER POSSIBLE AND BY ESTABLISHING NEW AD HOC PREPARATORY GROUPS WHERE NECESSARY, IN ORDER TO IDENTIFY ANY PROBLEMS RELATING TO EACH COMMODITY IN THE LIGHT OF THE OVERALL AGREED OBJECTIVES.

(II) EACH OF THESE GROUP SHOULD, WHERE PROBLEMS ARE IDENTIFIED, BRING FORWARD PROPOSALS ON THE
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APPROPRIATE MEASURES AND TECHNIQUES TO RESOLVE THESE PROBLEMS, INCLUDING VARIOUS MEASURES TO MEET ANY IDENTIFIED FINANCIAL REQUIREMENTS; AND RECOMMEND ANY FOLLOW-UP ACTION REQUIRED, INCLUDING THE NEGOTIATION OF AGREEMENTS, ARRANGEMENTS, OR OTHER MEASURES.

(III) THE CONFERENCE SHOULD AGREE ON APPROPRIATE ARRANGEMENTS:

-- TO GIVE IMPETUS TO THIS PREPARATORY WORK;

-- TO FOLLOW PROGRESS ON WORK MENTIONED UNDER (II) ABOVE;

-- TO CONTINUE EFFORTS TO ENCOURAGE DIVERSIFICATION, PROCESSING AND LIBERALIZATION OF TRADE;

-- TO EVALUATE THE NEED FOR INCREASED AVAILABILITY OF COMPENSATORY FINANCE, IN THE LIGHT OF IMPROVEMENTS MADE IN THE IMF COMPENSATORY FINANCING FACILITY; AND

-- TO DEAL WITH ANY MAJOR PROBLEMS, WITH REFERENCE AS NECESSARY TO THE TRADE AND DEVELOPMENT BOARD.

(END U.S. PROPOSAL).

END TEXT. DALE



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# Message Attributes

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**Capture Date:** 01 JAN 1994
**Channel Indicators:** n/a
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**Draft Date:** 12 MAR 1976
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**Previous Handling Restrictions:** n/a
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**Subject:** UNCTAD: TRADE AND DEVELOPMENT BOARD: CURRENT WORKING TEXT ON COMMODITIES
**TAGS:** PORG, UNCTAD
**To:** STATE
**Type:** TE
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